

**CENTERS AGAINST ABUSE AND
SEXUAL ASSAULT
SPENCER, IOWA
FINANCIAL STATEMENTS
SCHEDULE OF FINDINGS
JUNE 30, 2012 AND 2011**

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CENTERS AGAINST ABUSE AND SEXUAL ASSAULT
SPENCER, IOWA

OFFICIALS AND BOARD OF DIRECTORS

<u>NAME</u>	<u>TITLE</u>	<u>EXPIRES</u>
Deb Eastin	President	July 2013
Kathy Wulf	Vice-President	July 2013
Martin Sievers	Vice-President	(Deceased) February 2012
Bev Juhl	Treasurer	December 2012
Deb Dunn	Secretary	October 2013
Barb Workman	Board Member	July 2013
Pamela Carpenter	Board Member	July 2013
Chris Block	Board Member	April 2014
Kristi Langschwager	Board Member	October 2014
Cara Gerlock	Board Member	May 2012
Julie Schulenberg	Executive Director	Indefinite
Rebecca Christoffer	Executive Director	February 2012

BURKHARDT & DAWSON

Certified Public Accountants

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LAURA M. DAWSON, CPA

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Centers Against Abuse and Sexual Assault
Spencer, Iowa

We have audited the accompanying statements of financial position of Centers Against Abuse and Sexual Assault (a nonprofit organization) as of June 30, 2012 and 2011, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Center's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Centers Against Abuse and Sexual Assault at June 30, 2012 and 2011 and the changes in its net assets and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated January 21, 2013 on our consideration of Centers Against Abuse and Sexual Assault's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

BURKHARDT & DAWSON, CPA's


Certified Public Accountants

January 21, 2013

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT
SPENCER, IOWA
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
CURRENT ASSETS:		
Cash in Bank and Cash on Hand	\$ 200,642	\$ 237,668
Certificates of Deposit	133,145	36,952
Receivables - Federal Grants	31,179	43,214
Receivables - State Grants	31,613	28,642
Accrued Interest Receivable	346	83
Health Insurance Tax Credit Receivable	4,419	3,015
Prepaid Expenses	<u>739</u>	<u>707</u>
TOTAL CURRENT ASSETS	\$ 402,083	\$ 350,281
PROPERTY AND EQUIPMENT:		
Land	\$ 108,000	\$ 108,000
Buildings and Improvements	666,869	658,622
Equipment and Furniture	<u>42,983</u>	<u>42,983</u>
TOTAL	\$ 817,852	\$ 809,605
LESS - Accumulated Depreciation	<u>(288,584)</u>	<u>(265,663)</u>
NET PROPERTY AND EQUIPMENT	\$ 529,268	\$ 543,942
TOTAL ASSETS	\$ 931,351	\$ 894,223
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts Payable	\$ 5,609	\$ 6,271
Accrued Payroll Taxes and Benefits Payable	4,057	3,267
Accrued Salaries Payable	15,863	11,727
Accrued Compensated Absences Payable	<u>12,292</u>	<u>8,564</u>
TOTAL CURRENT LIABILITIES	\$ 37,821	\$ 29,829
NET ASSETS:		
Unrestricted:		
Designated by Board	\$ 95,690	\$ 95,444
Available for Operations	797,840	761,473
TOTAL UNRESTRICTED	\$ 893,530	\$ 856,917
Temporarily Restricted by Donors	<u>0</u>	<u>7,477</u>
TOTAL NET ASSETS	\$ 893,530	\$ 864,394
TOTAL LIABILITIES AND NET ASSETS	\$ 931,351	\$ 894,223

See accompanying notes to financial statements

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT
SPENCER, IOWA
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
UNRESTRICTED NET ASSETS:		
PUBLIC SUPPORT AND REVENUES:		
SUPPORT:		
Grants:		
Federal	\$ 222,707	\$ 238,233
State	161,015	179,916
Contributions:		
Local Governments	45,227	39,064
Fund-Raising Income	28,544	24,528
Other	58,784	55,388
Value of Contributed Services, Facilities and Materials	100,408	88,533
TOTAL PUBLIC SUPPORT	<u>\$ 616,685</u>	<u>\$ 625,662</u>
REVENUES:		
Sales	\$ 66,767	\$ 69,835
Interest	869	581
Miscellaneous	244	390
Health Insurance Tax Credit	1,404	3,015
Gain on Sale of Property	0	43,547
TOTAL REVENUES	<u>\$ 69,284</u>	<u>\$ 117,368</u>
NET ASSETS RELEASED FROM DONOR RESTRICTIONS	<u>\$ 7,568</u>	<u>\$ 0</u>
TOTAL PUBLIC SUPPORT AND REVENUES	<u>\$ 693,537</u>	<u>\$ 743,030</u>
EXPENSES:		
PROGRAM SERVICES:		
Shelter Expenses	\$ 614,172	\$ 651,186
SUPPORT SERVICES:		
General and Administration	42,752	43,771
TOTAL EXPENSES	<u>\$ 656,924</u>	<u>\$ 694,957</u>
CHANGE IN UNRESTRICTED NET ASSETS	<u>\$ 36,613</u>	<u>\$ 48,073</u>
TEMPORARILY RESTRICTED NET ASSETS:		
Interest	\$ 91	\$ 135
Net Assets Released from Donor Restrictions	<u>(7,568)</u>	<u>0</u>
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS	<u>\$ (7,477)</u>	<u>\$ 135</u>
TOTAL CHANGE IN NET ASSETS	\$ 29,136	\$ 48,208
NET ASSETS AT BEGINNING OF YEAR	<u>864,394</u>	<u>816,186</u>
NET ASSETS AT END OF YEAR	<u>\$ 893,530</u>	<u>\$ 864,394</u>

See accompanying notes to financial statements

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT
SPENCER, IOWA
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

		2012	
	PROGRAM EXPENSES	GENERAL AND ADMINI- STRATIVE	TOTAL
Salaries	\$340,093	\$ 14,792	\$354,885
Payroll Taxes	31,202	1,357	32,559
Fringe Benefits	<u>15,930</u>	<u>693</u>	<u>16,623</u>
 Total Personnel Expenses	 \$387,225	 \$ 16,842	 \$404,067
 Contributed Services, Facilities and Materials	 100,408	 0	 100,408
Dues and Subscriptions	2,678	0	2,678
Fund-Raising Expenses	7,501	0	7,501
Insurance	19,472	0	19,472
Miscellaneous	4,432	0	4,432
Supplies	2,824	349	3,173
Postage	863	288	1,151
Printing and Advertisements	209	26	235
Contracted Services	2,507	0	2,507
Professional Fees	0	18,902	18,902
Rent	7,899	0	7,899
Equipment Rent	2,445	0	2,445
Repairs	8,700	0	8,700
Shelter Expenses	1,813	0	1,813
Staff Training	1,115	0	1,115
Telephone	7,300	902	8,202
Travel	16,331	5,443	21,774
Utilities	17,104	0	17,104
Homeless Prevention	<u>425</u>	<u>0</u>	<u>425</u>
 TOTAL EXPENSES BEFORE DEPRECIATION	 \$591,251	 \$ 42,752	 \$634,003
 Depreciation	 <u>22,921</u>	 <u>0</u>	 <u>22,921</u>
 TOTAL EXPENSES	 <u>\$614,172</u>	 <u>\$ 42,752</u>	 <u>\$656,924</u>

See accompanying notes to financial statements

	2011	
	GENERAL	
	AND	
PROGRAM	ADMINI-	
EXPENSES	STRATIVE	TOTAL
\$352,132	\$ 15,315	\$367,447
31,304	1,361	32,665
<u>17,467</u>	<u>760</u>	<u>18,227</u>
\$400,903	\$ 17,436	\$418,339
88,533	0	88,533
2,779	0	2,779
10,689	0	10,689
16,237	0	16,237
6,547	0	6,547
7,197	889	8,086
661	220	881
2,367	293	2,660
6,637	0	6,637
0	16,199	16,199
7,061	0	7,061
3,023	0	3,023
11,908	0	11,908
1,593	0	1,593
655	0	655
8,300	1,026	9,326
23,122	7,708	30,830
20,834	0	20,834
<u>6,008</u>	<u>0</u>	<u>6,008</u>
\$625,054	\$ 43,771	\$668,825
<u>26,132</u>	<u>0</u>	<u>26,132</u>
<u>\$651,186</u>	<u>\$ 43,771</u>	<u>\$694,957</u>

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT
SPENCER, IOWA
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received From Federal Grants	\$ 234,742	\$ 241,054
Cash Received From State Grants	158,044	174,099
Cash Received From Local Governments	45,227	39,064
Cash Received From Sales	66,767	69,835
Interest Received	697	700
Other Receipts	244	743
Donations Received	87,328	79,916
Cash Paid to Employees and Suppliers	<u>(525,635)</u>	<u>(586,542)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 67,414</u>	<u>\$ 18,869</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from Sale of Property	\$ 0	\$ 99,287
Purchase of Capital Assets	(8,247)	(3,853)
Increase in Certificates of Deposit	<u>(96,193)</u>	<u>(5,520)</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>\$ (104,440)</u>	<u>\$ 89,914</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ (37,026)	\$ 108,783
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>237,668</u>	<u>128,885</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 200,642</u>	<u>\$ 237,668</u>

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT
SPENCER, IOWA
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Change in Net Assets	\$ 29,136	\$ 48,208
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	22,921	26,132
Gain on Sale of Property	0	(43,547)
Changes in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	7,660	(5,658)
(Increase) in Accrued Interest Receivable	(263)	(16)
(Increase) Decrease in Prepaid Expenses	(32)	201
(Decrease) in Accounts Payable	(662)	(3,733)
Increase in Salaries and Benefits Payable	4,926	707
Increase (Decrease) in Compensated Absences Payable	<u>3,728</u>	<u>(3,425)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 67,414</u>	<u>\$ 18,869</u>

NON-CASH ACTIVITIES:

During the fiscal years June 30, 2012 and 2011, the Center received numerous donated services and materials that were used in the operations of the shelters.

See accompanying notes to financial statements

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT
SPENCER, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY - Centers Against Abuse and Sexual Assault (CAASA) was organized as a nonprofit organization October 11, 1984, to provide services for families in a four county area through assistance of federal, state, and local funds. The Center merged its operations with Council Against Domestic Abuse & Sexual Assault, Inc. (CADA/SA) located in Cherokee, Iowa effective July 1, 2006. CADA/SA served another four county area. The Executive Director of CAASA became the Executive Director of the new organization for the counties of Buena Vista, Cherokee, Clay, Dickinson, Emmet, Ida, Palo Alto, and Sac counties. A new board was formed from the two prior boards to govern the organization.

The mission of the Center is to eliminate personal, institutional, and societal violence against individuals by empowering victims/survivors and providing supportive programs and services. These services include a 24-hour crisis line, crisis counseling and advocacy for adults and children, support groups for adults and children, shelter, medical and legal advocacy, school outreach and violence prevention programs, community education and information programs, and professional education.

The Centers Against Abuse and Sexual Assault is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and a similar section of the Iowa income tax law which provide tax exemption for corporations organized and operated exclusively for religious, charitable or educational purposes. It is classified by the Internal Revenue Service as other than a private foundation.

The Center's financial statements are prepared in accordance with U.S. generally accepted accounting principles as prescribed by the Financial Accounting Standards Board for non-profit corporations.

BASIS OF ACCOUNTING - Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT
SPENCER, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

BASIS OF ACCOUNTING - (CONTINUED):

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with U.S. generally accepted accounting principles. Revenues are recognized when earned and expenses are recorded when the liability is incurred.

BASIS OF PRESENTATION - Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Center and changes therein are classified and reported as follows:

Unrestricted Net Assets - Net assets not subject to donor-imposed stipulations. The Center's Board may designate portions of their unrestricted net assets for specific purposes, projects or investments as an aid in the planning of expenses and the conservation of assets. The Center maintains separate accounts for any designations within the unrestricted net assets and segregates the designated and undesignated portions of the fund within the net assets section of the Statement of Financial Position.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations. The temporarily restricted net assets account for all resources restricted by outside sources which can only be utilized in accordance with the purposes established by the sources of the funds. Generally, the donors of these assets permit the Center to use all or part of the income earned on related investments for general or specific purposes.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law.

CASH AND CASH EQUIVALENTS - For purposes of the statement of cash flows, the Center considers savings accounts and all other highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. There were no cash equivalents at June 30, 2012 and 2011.

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT
SPENCER, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GRANTS RECEIVABLE - Grants receivable consists of receivables for federal and state funds awarded to CAASA based on services performed.

PROPERTY AND EQUIPMENT - Property and equipment is stated at cost. Assets are depreciated over their estimated useful lives using the straight-line method for financial reporting and income tax purposes. Expenditures for maintenance and repairs are charged to expense as incurred. It is the Center's policy to capitalize property and equipment over \$500. Depreciated costs, estimated lives, and depreciation expense as of and for the years ended June 30, 2012 and 2011 are as follows:

CLASSES OF ASSETS	<u>DEPRECIATED COSTS</u>		<u>ESTI- MATED LIVES</u>	<u>DEPRECIATION EXPENSE</u>	
	<u>2012</u>	<u>2011</u>		<u>2012</u>	<u>2011</u>
Land	\$108,000	\$108,000	-	\$ 0	\$ 0
Buildings and Improvements	406,009	418,139	10-40	20,377	23,527
Equipment and Furniture	<u>15,259</u>	<u>17,803</u>	5-7	<u>2,544</u>	<u>2,605</u>
	<u>\$529,268</u>	<u>\$543,942</u>		<u>\$ 22,921</u>	<u>\$ 26,132</u>

CONTRIBUTIONS - Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. In addition, when a donor restriction is satisfied in the same year the contribution is received, the contribution is shown on the statement of activities as unrestricted support.

CAASA accepts donations of used furniture for restoration and miscellaneous household goods for subsequent sale. This program provides funds for currently unmet client needs. Revenue is recorded at the time of sale. Donations are considered to be of no value until they are sold. CAASA also received donations of food and miscellaneous personal items for client use.

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT
SPENCER, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CONTRIBUTED SERVICES - A number of volunteers donate services that create or enhance nonfinancial assets or that require specialized skills, and would typically need to be purchased if not provided by donation. These donated services are recorded at their fair value in the period received. The value of donated services is reflected in the financial statements as Value of Contributed Services and an offsetting expense - Contributed Services. Donated services are required to meet match requirements of certain grants. For the years ended June 30, 2012 and 2011 CAASA recognized \$84,949 and \$71,665, respectively as the value of volunteer services.

CONTRIBUTED FACILITIES - CAASA occupied, without charge, certain premises located in a privately-owned building in Cherokee. No rent was paid by the Center. The estimated fair rental value is reported as contributions and expenses in the period in which the premises was used. For the years ended June 30, 2012 and 2011, CAASA recognized \$4,000 and \$4,000, respectively as the value of contributed facilities.

CONTRIBUTED MATERIALS - A number of people and groups donate materials for clients in need of assistance. These would typically be purchased if not provided by donation and are recorded at their fair value in the period received. The value of donated materials is reflected in the financial statements as Value of Contributed Materials and an offsetting expense - Contributed Materials. For the years ended June 30, 2012 and 2011 CAASA recognized \$11,459 and \$12,868, respectively as the value of materials.

COMPENSATED ABSENCES - Center employees accumulate a limited amount of earned but unused vacation leave hours for subsequent use or for payment upon termination, retirement or death. Amounts representing the cost of compensated absences are recorded as a liability and have been computed based on rates of pay in effect at June 30, 2012 and 2011.

DATE OF MANAGEMENT'S REVIEW - Management has evaluated subsequent events through January 21, 2013, the date which the financial statements were issued.

ESTIMATES - The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

CONCENTRATIONS - The Center is heavily reliant on federal, state and local funding.

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT
SPENCER, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

NOTE 2 - DESCRIPTION OF LEASING ARRANGEMENTS

Starting June 1, 2012, the Center renewed leased space for the Storm Lake office under an operating lease. The previous lease expired April 30, 2012, but the Center continued to rent the building at a higher rate until the new lease was signed. The lease is for three years, and it may be terminated by either party after one year. Contingent rent payments at June 30, 2012 and 2011 are \$6,800 and \$6,525, respectively.

During the fiscal year ended June 30, 2012, the Center leased space for the Cherokee office under an operating lease. The lease is for five years, but it may be terminated by either party upon giving at least 60 days notice. Contingent rent payments at June 30, 2012 and 2011 are \$599 and \$-0-, respectively.

Minimum future lease payments are as follows:

<u>YEAR ENDING JUNE 30,</u>	<u>AMOUNT</u>
2013	\$ 8,472
2014	8,472
2015	8,316
2016	1,872
2017	1,872
TOTAL	<u>\$ 29,004</u>

The Center also rented storage units in Cherokee and Spencer. The operating lease expense is \$500 and \$536 for the years ended June 30, 2012 and 2011, respectively.

NOTE 3 - GOVERNMENT ASSISTANCE

During the years ended June 30, 2012 and 2011, the Center reported the following federal and state government support:

	<u>2012</u>	<u>2011</u>
Federal:		
Victims of Crime Assistance (VOCA)	\$164,935	\$167,056
Violence Against Women Act (VAWA)	15,162	26,998
Family Violence Prevention (FV)	36,449	38,255
Sexual Assault Services (SASP)	6,161	5,924
	<u>\$222,707</u>	<u>\$238,233</u>
State:		
Domestic Abuse	\$ 88,991	\$ 84,213
Sexual Assault	58,108	54,225
Emergency Shelter Grant Program (ESGP) and Homeless Shelter Operations Grants Program (HSOG)	10,191	23,576
Prevent Child Abuse (PCA)	3,725	17,902
	<u>\$161,015</u>	<u>\$179,916</u>

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT
SPENCER, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

NOTE 4 - RETIREMENT PLAN

The Center maintains a Savings Incentive Match Plan for Employees (SIMPLE IRA), a defined contribution retirement plan, which is available to all employees who have completed one year of service. The Center matches employee contributions dollar for dollar up to a maximum of 3% of the employee's compensation. The Center's expense relating to matching contributions totaled \$5,103 and \$5,466 for the fiscal years ended June 30, 2012 and 2011, respectively.

NOTE 5 - RISK MANAGEMENT

Centers Against Abuse and Sexual Assault is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The Center assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 6 - NOTE PAYABLE

The Center had a line of credit of \$50,000 at Farmers Trust and Savings Bank. It was dated January 7, 2009, and it matured on January 7, 2012. The interest rate was 5.25% per annum (prime + 2% with a 5% floor), and the unpaid balance at June 30, 2012 and 2011 was \$-0- and \$-0-, respectively.

NOTE 7 - TEMPORARILY RESTRICTED NET ASSETS

Temporary restricted net assets totaled \$-0- and \$7,477 as of June 30, 2012 and 2011, respectively.

Net assets were released from donor restrictions by satisfying the purpose specified by donors as follows:

	<u>2012</u>	<u>2011</u>
PURPOSE RESTRICTION ACCOMPLISHED:		
Specific Activity	\$ 7,568	\$ 0
TOTAL RESTRICTIONS RELEASED	<u>\$ 7,568</u>	<u>\$ 0</u>

NOTE 8 - BOARD DESIGNATED FUNDS

Assets of \$95,690 and \$95,444 as of June 30, 2012 and 2011, respectively, have been designated by the Board of Directors for operating contingencies and for the purchase of equipment and building improvements.

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT
SPENCER, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

NOTE 9 - FUND-RAISING

The Center held four major fund-raising events during the year ended June 30, 2012 in Cherokee County, Buena Vista County and Clay County. For the year ended June 30, 2011, two dinner fund-raisers were held in Clay County and Cherokee County. Fund-raising revenues and expenses for the years ended June 30, 2012 and 2011 were:

	<u>2012</u>	<u>2011</u>
Fund-Raising Revenues	<u>\$ 28,544</u>	<u>\$ 24,528</u>
Fund-Raising Expenses	<u>\$ 7,501</u>	<u>\$ 10,689</u>

BURKHARDT & DAWSON

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To The Board of Directors of
Centers Against Abuse and Sexual Assault

We have audited the financial statements of Centers Against Abuse and Sexual Assault, Spencer, Iowa, as of and for the year ended June 30, 2012, and have issued our report thereon dated January 21, 2013. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

The management of Centers Against Abuse and Sexual Assault is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Centers Against Abuse and Sexual Assault's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing our opinion on the effectiveness of Centers Against Abuse and Sexual Assault's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Centers Against Abuse and Sexual Assault's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance all deficiencies, significant deficiencies or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings, we identified certain deficiencies in internal control over financial reporting we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of the Center's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiencies in internal control described in the accompanying Schedule of Findings as items A, B, and C to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Centers Against Abuse and Sexual Assault's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under Government Auditing Standards.

Comments involving statutory and other legal matters about the Center's operations for the year ended June 30, 2012 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the Center. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Centers Against Abuse and Sexual Assault's responses to the findings identified in our audit are described in the accompanying Schedule of Findings. While we have expressed our conclusions on the Center's responses, we did not audit Centers Against Abuse and Sexual Assault's responses and, accordingly, we express no opinion on them.

This report, a public record by law, is intended solely for the information and use of Centers Against Abuse and Sexual Assault and other parties to whom the Center may report, including federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Centers Against Abuse and Sexual Assault during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

BURKHARDT & DAWSON, CPA's


Certified Public Accountants

January 21, 2013

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT
SPENCER, IOWA
SCHEDULE OF FINDINGS
YEAR ENDED JUNE 30, 2012

FINDINGS RELATED TO THE FINANCIAL STATEMENTS:

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCIES:

- A. Segregation of Duties - During our review of internal control, the existing procedures are evaluated in order to determine incompatible duties, from a control stand-point, are not performed by the same employee. This segregation of duties helps to prevent losses from employee error or dishonesty and, therefore, maximizes the accuracy of the Center's financial statements. The Director of the Center may perform incompatible duties.

Recommendation - We realize segregation of duties is difficult with a limited number of office employees. We also realize the Center currently uses outside accounting services to better segregate accounting functions. However, the Center should review its operating procedures to obtain the maximum internal control possible under the circumstances.

Response - We will continue to look at ways to best segregate duties in this small agency. We will continue monthly members monitoring by the Board of Directors along with 2 staff seeing all bills and deposits and also using an outside accounting firm.

Conclusion - Response accepted.

- B. Grant Claims - Grant claims and reimbursements received are not compared for discrepancies. Grant claims and amounts actually collected do not always match.

Expense claim reports were not always accumulated correctly from one report to the totals on the next report.

Also, grant claims were not submitted timely or did not have sufficient documentation in the file to determine the timely filing for various grants.

Recommendation - Grant receipts should be reviewed and any inconsistencies should be resolved. Total receipts for each grant should be compared to the grant award and the amounts claimed on the reimbursement claims filed for the grant year. Grant files should include signed and dated claim requests. Grant claims should be filed timely in order to obtain reimbursement.

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT
SPENCER, IOWA
SCHEDULE OF FINDINGS
YEAR ENDED JUNE 30, 2012

INTERNAL CONTROL DEFICIENCIES - Continued:

B. Grant Claims - Continued:

Response - The new Executive Director has begun using an Excel spreadsheet to monitor all grant claims going out and when they are received. This will be reviewed on a monthly basis and will resolve any inconsistencies quickly.

The new Executive Director has copies of all grant requests. All grant requests are sent in on time and are being monitored for payment.

Conclusion - Response accepted.

C. Minutes - The board did not document the approval of all material transactions in the minutes.

Recommendation - The board should approve all material transactions and have them documented in the minutes.

Response - This will be brought up at the next board meeting and will be closely monitored by the Executive Director and Board.

Conclusion - Response accepted.

OTHER FINDINGS RELATED TO REQUIRED STATUTORY REPORTING:

No matters were reported.